

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA



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Joint Application of NEXTERA ENERGY  
TRANSMISSION WEST, LLC and  
PACIFIC GAS AND ELECTRIC  
COMPANY (U39E) for Permits to  
Construct the Estrella Substation and Paso  
Robles Area Reinforcement Project.

Application 17-01-023  
(Filed January 25, 2017)

**PROTEST OF THE OFFICE OF RATEPAYER ADVOCATES**

**I. INTRODUCTION**

Pursuant to Rule 2.6 of the California Public Utilities Commission's ("Commission") Rules of Practice and Procedure, the Office of Ratepayer Advocates ("ORA") files this protest to Application ("A.") 17-01-023 of NextEra Energy Transmission West, LLC ("NEET West") and the Pacific Gas and Electric Company ("PG&E") (collectively, the "Joint Applicants") for permits to construct the Estrella Substation and Paso Robles Area Reinforcement Project.

The Joint Applicants filed the Application on January 25, 2017, and the Application appeared on the Commission's Daily Calendar on February 2, 2017. This protest is timely filed pursuant to Rules 2.6(a) and 1.15.

**II. APPLICATION**

The Joint Applicants are requesting a Permit to Construct ("PTC") their respective components of the proposed Estrella Substation and Paso Robles Area Reinforcement Project, which is comprised of a new 230/70 kilovolt ("kV") substation and associated 230 kV and 70 kV interconnection and power line facilities (the "Estrella Project").

### **III. GENERAL ISSUES**

Since the Project was originally approved by the CAISO in its 2013-2014 Transmission Planning Process (“TPP”), there has been a significant reduction in load region-wide, calling the need for the Project into question. Additionally, the Application lacks certain necessary information, as discussed below. The issues ORA identifies below are preliminary and are not exhaustive of the project issues that need further evaluation. For this reason, ORA will pursue additional discovery requests and reserves the right to raise additional issues at a later date as it undertakes its evaluation of this proposed project.

ORA protests the Joint Application for a PTC for the reasons set forth below.

#### **A. The Estrella Project Should be Revaluated Due to Decreasing Load on the CAISO Grid.**

The California Independent Systems Operator (“CAISO”) identified the Estrella Project in its 2013-2014 TPP as a necessary reliability project for PG&E’s northern San Luis Obispo County service area. Following this approval however, the CAISO reported significant load reductions region-wide due to energy efficiency and unexpected increases in behind-the-meter supply on the grid in its 2016-2017<sup>1</sup> and 2017-2018<sup>2</sup> TPP.

As a result of these updated findings, the CAISO recommended canceling 13 previously approved reliability projects, and placing 16 previously approved reliability projects on hold in the PG&E service territory. CAISO is also continuing to reevaluate previously approved reliability projects in Southern California Edison Company’s and San Diego Gas & Electric Company’s service territories to determine if these projects are still necessary as proposed. The CAISO should also reevaluate the need for the Estrella Project given that these reported load changes occurred region-wide and in the years following the proposed Estrella Project in 2014.

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<sup>1</sup> California ISO 2016-2017 Transmission Plan January 31, 2017, pp. 20-21 & 43.

<sup>2</sup> California ISO 2017-2018 Transmission Planning Process Unified Planning Assumptions and Study Plan February 22, 2017, p. 11.

The need for the Estrella Project should be carefully examined by the Commission in the current proceeding given the significant reduction in load following the CAISO's initial approval of the Estrella Project.

**B. A Complete Evaluation of Reasonable Project Alternatives was Not Included in the CAISO 2013-2014 TPP or in the Joint Application.**

The proposed Estrella Project site is located approximately 7.5 miles from the existing Templeton Substation. However, the Joint Application does not discuss constraints or opportunities to upgrade the Templeton Substation with additional transformers or other equipment to meet any project area reliability needs as an alternative to developing the proposed 230kV Estrella Substation. For this reason, PG&E should evaluate the possibility of upgrading the existing Templeton Substation with an additional transformer, or the possibility of an additional 70 kV sub-transmission line between Templeton Substation and Paso Robles Substation, in order to address the identified reliability needs for PG&E's northern San Luis Obispo County service area.

**C. The Application Proposes a Distribution Capacity Expansion Project without Additional Information on Project Costs and Existing Distribution Capacity and Needs.**

While the Application includes a proposed distribution capacity expansion project, it does not include additional information on the expansion project's costs and existing distribution capacity and need.

The proposed Estrella Project includes an ultimate build-out of the Estrella Substation, with approximately 90 megawatt ("MW") of additional distribution capacity. The project description does not include information to support the need for this additional capacity or the costs of this additional capacity. The Joint Applicants should explain why this additional distribution capacity is necessary.

**D. The Project Costs in the Joint Application are in 2013-2014 Dollars and Should be Updated to 2017 Dollars.**

The proposed Estrella Project costs, with a single loop into the existing Morro Bay-Gates 230 kV Line, range between \$35 million to \$45 million in 2013-2014 dollars.<sup>3</sup> Total project cost estimates should be provided in 2017 dollars. The new project cost estimates should include costs for all project components and the proposed project site.

**E. The Project Coordination Agreement Has Not Been Provided or Described in the Project Application.**

NEET West and PG&E filed this project application jointly and will own, operate, and maintain the same substation if the application is approved. However, the Joint Applicants did not provide or describe a Project Coordination Agreement in the Joint Application. ORA is concerned that this approach could lead to coordination, safety, and liability issues between NEET West and PG&E. For this reason, the project coordination agreement, or at least an outline of it, between PG&E and NEET West should be provided as part of this application review and approval.

**IV. CATEGORIZATION AND PROPOSED SCHEDULE**

ORA agrees with the categorization of this proceeding as ratesetting and that the issues involved in this proceeding may require evidentiary hearings.

**V. CONCLUSION**

For the reasons discussed herein, ORA protests the Joint Application of NEET West and PG&E. The need for this project is questionable and the Commission should thoroughly examine this request.

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<sup>3</sup> 2013-2014 CAISO TPP and Joint Application p. 89.

Respectfully submitted,

/s/ SHANNA FOLEY

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SHANNA FOLEY

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